



DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-29-2021]

Foreign-Trade Zone (FTZ) 107 – Des Moines, Iowa
Notification of Proposed Production Activity
Lely North America, Inc.
(Automated Milking and Feeding Equipment)
Pella, Iowa

Lely North America, Inc. (Lely) submitted a notification of proposed production activity to the FTZ Board for its facility in Pella, Iowa. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on April 14, 2021.

The Lely facility is located within Subzone 107E. The facility will be used for production of automated robotic milking and feeding equipment and related products. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Lely from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status materials/components noted below, Lely would be able to choose the duty rates during customs entry procedures that apply to dairy robot floor scales, robotic cow milking machines, central vacuum and cleaning systems, and cow brushes (duty rate ranges from duty free to 2.7%). Lely would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components and materials sourced from abroad include: hydraulic oil; plastic components (tubes; suction tubes; protective sleeves; hoses; connection hoses; tube

sockets; tube reducers; tube connector knees; reducers; couplings; labels; decals; cover caps; milk collection plugs; plugs; wear skids; spacers; water nozzle caps; retaining clips; plates; pipe holders; O-rings; nuts; manifolds; lid stoppers; gaskets; feed tubes; emergency stop covers; door shield covers; covers; clamps; brackets; hose snap-in clips; pipe caps; ropes; cords; tilting cup tippers; spacer bushings; sampling tube clamps; pressure reducers; plates; spacer rings; milk jar sealing rings; milk collection assembly sealing rings; sealing plugs; robot handles; milk jar clamping wedges; hinge bushings; guide discs; fittings; nipples; molded tube clamps; manifolds; liquid separation buffers; hooks; feed tube housings; drains; cow identification readers; clamping blocks; central unit floors; brackets; covers; vacuum valve housings; couplings); various assemblies (hose; layered carbon glass cover laser cap; steel hinge; steel dispenser; air filter; load cell; wheel; valve connector; vacuum system cyclone; tube; steam cleaning; roller; milk valve; brush unit; water valve; valve; valve block; emergency stop button; flexible cable; brush); plug-in couplings; hose clamps; rubber components (hoses; O-rings; gaskets; vacuum check balls; protective plates; air check balls; air bladders); V-rings; oil seals; logbooks; vinyl decals; carbon fiber cover plates; glass milk jars; steel components (tubes; pneumatic coupling angles; coupling elbows; Y-piece tubes; reducers; couplings; non-return valves; bends; push-pull nipples; cables; springs; tri-clamps; tilting cups; robot arm rods; plugs; plates; milk collection cups; brackets; rope tensioners; right hand locks; left hand locks; hinges; gas springs; logo plates; cylinders with aluminum bodies; oil reservoirs; nozzles; walls; studs; threaded bushings; spacer rings; shafts; rotors; pressure vessels; manifolds; handles; gates; galvanized frames; frames; feet; clips; clamps; bushings; bars; arms; adjustable feet; adapters; rings); galvanized tubes; stainless steel components (braided grounding straps; ball bearings); module arm linkages; dosing pumps; milk pumps; vacuum pumps; filters (including air; liquid; demineralizing water); load cells; sprayers; water

flow restrictors; vacuum buffer check ball guides; vacuum buffers; silicone components (teat liners; teat cup sleeves; milk jar heads); teat cup cord guides; pulsator units; power box central units; nozzle dip sprays; logbook holders; gate cylinders; carbon fiber udder cleaning arms; cable organization guides; boilers; actuators; general input/output box modules; module electronic control box components (load cell interface boxes; general control boxes; arm power supply units); brake resistor boxes; electronic-link tablets; reducers; valve blocks; quick air exhaust valves; valves with springs; throttle check valves; non-return valves; check valves; valves; vacuum pump kits; under pressure valves; solenoids; accumulator pressure units; cam shafts; entry gate hinge bearings; vacuum valve shaft bearings; various motors (DC; brushless DC; single phase); cow tag readers; robot power distribution AC/DC boxes; cow brush distribution AC/DC power boxes; valve connector cables; cables; various sensors (temperature; water flow; vacuum; vacuum level; infrared 3D; teat detection; photocell presence; milk quality control; feed presence); flow sensor turbines; vacuum meters; and, milk quality control sensor kits (duty rate ranges from duty free to 7.0%). The request indicates that certain materials/components are subject to duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) or Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 232 and Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: April 19, 2021.

Andrew McGilvray,
Executive Secretary.

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